IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

COMPANY PETITION No 111 of 2000

For Approval and Signature:

Hon'ble MR.JUSTICE K.M.MEHTA

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1. Whether Reporters of Local Papers may be allowed to see the judgements? : NO

2. To be referred to the Reporter or not? : NO

3. Whether Their Lordships wish to see the fair copy of the judgement? : NO

4. Whether this case involves a substantial question of law as to the interpretation of the Constitution of India, 1950 of any Order made thereunder? : NO

5. Whether it is to be circulated to the Civil Judge? : NO

LALIT STOCKHOLDINGS PVT.LTD.

Versus

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Appearance:

MR ASHWIN L SHAH for Petitioner

CORAM : MR.JUSTICE K.M.MEHTA

Date of decision: 22/03/2001

ORAL JUDGEMENT

1. Upon reading the petition of Lalit Stockholdings Pvt. Ltd., the Petitioner Company above-named presented to this Hon'ble Court on 20-4-2000 for sanction of the Scheme of amalgamation of Lalit Stockholdings Pvt. Ltd. and Kunjal Stockholdings Pvt. Ltd. (hereinafter referred to as "the Transferor Companies") with Hari

Steel Pvt. Ltd (hereinafter referred to as "the Transferee Company") and for other consequential reliefs as mentioned in the petition AND the said petition being on this day called out for hearing and final disposal AND UPON READING the said petition and affidavit of Mr.Kunjal L.Patel, a director of the Petitioner Company dated 8th April, 2000 verifying the petition AND UPON reading the affidavit of Mr.Kumarpal Sarabhai Shah proving the publication of the notice of the date of the hearing of the petition in English language in the Indian Express, Ahmedabad Edition dated 15-6-2000 and in Gujarati language in Sandesh, Ahmedabad Edition dated 15-6-2000 pursuant to the order of this Court dated 26-4-2000 AND UPON READING the order dated 21-2-2000 made by this Court in Company Application No.48 of 2000 whereby the convening of the meetings of the shareholders and creditors of the Lalit Stockholdings Pvt. Ltd for the consideration and if thought fit approving with or without modifications in the arrangement embodied in the Scheme of amalgamation of the Transferor Companies with the Transferee Company were dispensed with in view of the consent in writing by the said shareholders and creditors annexed to the petition as Annexure `C' AND UPON READING the report of the Official Liquidator wherein he has opined that the affairs of the Transferor Companies have not been conducted in a manner prejudicial to the interest of its members or to the public interest AND UPON HEARING Mr. ASHWIN LALBHAI SHAH for the Lalit Stockholdings Pvt. Ltd. and Mrs. Dawavala, learned Standing Counsel for the Regional Director, Department of Company Affairs, Mumbai, who has produced a letter dated 17th October, 2000, addressed by Regional Director, Ministry of Law, Justice and Company Affairs, Department of Company Affairs, Government of India to the Registrar of Companies, Gujarat, in which it has been stated that the Government has examined the petitioner for amalgamation and it has been decided that the matter may be left to this Court to decide on its merits. She has also produced another letter addressed by Registrar of Company Affairs, Ahmedabad to her in which it has also been reiterated that Central Government has examined the matter on amalgamation and it has been decided that the matter may be left to the Court to decide on merits. No other person or persons entitled to appear at the hearing of the said petition appearing this day either in the support of the said petition or to show cause against the same.

2. THIS COURT DOTH HEREBY SANCTION the Scheme of amalgamation of Lalit Stockholdings Pvt. Ltd. and

Kunjal Stockholdings Pvt. Ltd., the Transferor Companies with Hari Steel Pvt. Ltd., the Transferee Company, as set forth in Annexure A to the petition and also in the Schedule hereto AND THIS COURT DOTH HEREBY DECLARE the same to be binding on Lalit Stockholdings Pvt. Ltd and all its shareholders and creditors AND THIS COURT DOTH ORDER that with effect from 1-4-1999 (hereinafter called "the Appointed Day") the entire undertaking and the business of Lalit Stockholdings Pvt. Ltd. specified in the Scheme of amalgamation being Annexure A to the petition and also in the Schedule hereto be transferred without any further act or deed to the Transferee Company and accordingly, the same shall pursuant to Section 394(2) of the Companies Act, 1956 be transferred to and vest in the Transferee Company subject nevertheless to the charges, if any, now affecting the same.

3. AND THIS COURT DOTH FURTHER ORDER that with effect from the Appointed Day, all the debts, liabilities, duties and obligations of Lalit Stockholdings Pvt. Ltd. be transferred without further act or deed to the Transferee Company and accordingly the same shall pursuant to section 394(2) of the Companies Act, 1956 be transferred to and become the debts, liabilities, duties and obligations of the Transferee Company.

4. AND THIS COURT DOTH FURTHER ORDER that any legal proceeding pending by or against the Lalit Stockholdings Pvt. Ltd. be continued by or against the Transferee Company.

5. AND THIS COURT DOTH FURTHER ORDER that in consideration of the transfer of all the assets and liabilities of Lalit Stockholdings Pvt. Ltd. to the Transferee Company, the Transferee Company do without further application issue and allot to every shareholder of Lalit Stockholdings Pvt. Ltd. 1(one) equity share of Rs.100/credited as fully paid up for every 10(ten) equity shares of Rs.100/- each held by them in the said Company as provided in clause 10(a)(i) of the Schedule hereto and to the shareholders of Kunjal Stockholdings Pvt. Ltd. 1(one) equity share of Rs.100/- credited as fully paid up for every 15(fifteen) equity shares of Rs.100/- each held by them in the said Company as provided in clause 10(a)(ii) of the Schedule hereto.

6. AND THIS COURT DOTH FURTHER ORDER that upon the Scheme of amalgamation being effective, Lalit Stockholdings Pvt. Ltd. and Kunjal Stockholdings Pvt. Ltd. shall stand dissolved without winding up

7. AND THIS COURT DOTH FURTHER ORDER that Lalit Stockholdings Pvt. Ltd. do within 60 days from the date of the sealing of this order cause a certified copy of the order delivered to the Registrar of Companies, Gujarat, Ahmedabad for registration and on such certified copy of the order being so delivered, the Transferor Companies shall stand dissolved without winding up and the Registrar of Companies, Gujarat, Ahmedabad shall place all the documents relating to Lalit Stockholdings Pvt. Ltd. and Kunjal Stockholdings Pvt. Ltd registered with him on the file kept by him in relation to the Transferee Company and the files relating to the said Company shall be consolidated accordingly

8. AND THIS COURT DOTH FURTHER ORDER that the parties to the arrangement embodied in the Scheme of amalgamation sanctioned herein or any other person or persons interested therein shall be at liberty to apply to this Court for any direction that may be necessary with regard to the working of the arrangement embodied in the Schedule hereto

9. AND THIS COURT DOTH FURTHER ORDER that in this case both the transferor and transferee companies are family concern and there are only six shareholders and therefore in view of the peculiar facts and circumstances of the case, the Petitioner Company do pay Rs.1500/each (Rupees One Thousand Five Hundred only) to Mrs.P.J.Dawavala, learned Standing Counsel for the Department of Regional Director, Department of Company Affairs, Mumbai and the Official Liquidator, High Court of Gujarat, Ahmedabad towards the costs of this petition.

ORDER UNDER SECTION 394

UPON the above petition coming on for further hearing on 28-11-2000, upon reading the petition of Hari Steel Pvt.Ltd., the Petitioner Company above-named, presented to this Hon'ble Court on 20-4-2000 for sanction of the Scheme of amalgamation of Lalit Stockholdings Pvt. Ltd. and Kunjal Stockholdings Pvt. Ltd. (hereinafter referred to as "the Transferor Companies") with Hari Steel Pvt. Ltd. (hereinafter referred to as "the Transferee Company") and for other consequential reliefs as mentioned in the petition AND the said petition being on this day called out for hearing and final disposal AND UPON READING the said petition and affidavit of Mr.Kunjal L.Patel, a director of the Petitioner Company, dated 8th

April, 2000 verifying the petition AND UPON reading the affidavit of Mr.Kumarpal Sarabhai Shah proving the publication of the notice of the date of the hearing of the petition in English language in the Indian Express, Ahmedabad Edition dated 15-6-2000 and in Gujarati language in Sandesh, Ahmedabad Edition dated 15-6-2000 pursuant to the order of this Court dated 26-4-2000 AND UPON READING the order dated 21-2-2000 made by this Court in Company Application No.47 of 2000 whereby the convening of the meetings of the shareholders and creditors of the Transferee Company for the consideration and if thought fit approving with or without modifications the arrangement embodied in the Scheme of amalgamation of the Transferor Companies with the Transferee Company were dispensed with in view of the consent in writing by the said shareholders and creditors annexed to the petition as Annexure `C' AND UPON READING the report of the Official Liquidator wherein he has opined that the affairs of the Transferor Companies have not been conducted in a manner prejudicial to the interest of its members or to the public interest AND UPON HEARING MR. ASHWIN LALBHAI SHAH for the Transferee Company and Mrs. Dawavala, learned Standing Counsel for the Regional Director, Department of Company Affairs, Mumbai, who has produced a letter dated 17th October, 2000, addressed by Regional Director, Ministry of Law, Justice and Company Affairs, Department of Company Affairs, Government of India to the Registrar of Companies, Gujarat, in which it has been stated that the Government has examined the petitioner for amalgamation and it has been decided that the matter may be left to this Court to decide on its merits. She has also produced another letter addressed by Registrar of Company Affairs, Ahmedabad to her in which it has also been reiterated that Central Government has examined the matter on amalgamation and it has been decided that the matter may be left to the Court to decide on merits. No other person or persons entitled to appear at the hearing of the said petition appearing this day either in the support of the said petition or to show cause against the same.

THIS COURT DOTH ORDER

(1) That all the property, rights and powers of the Transferor Companies specified in the first, second and third parts of the Schedule hereto and all other property, rights and powers of the Transferor Companies be transferred without further act or deed to the Transferee Company and accordingly the same shall

pursuant to section 394(2) of the Companies Act, 1956, be transferred to and vest in the Transferee Company for all the estate and interest of the Transferor Companies therein but subject nevertheless to all the charges affecting the same; and

(2) That all the liabilities and duties of the Transferor Companies be transferred without further act or deed to the Transferee Company and accordingly the same shall, pursuant to section 394(2) of the Companies Act, 1956, be transferred to and become the liabilities and duties of the Transferee Company; and

(3) That all proceedings now pending by or against the Transferor Companies be continued by or against the Transferee Company; and

(4) That the Transferee Company do without further application allot to members of the Transferor Companies the shares in the Transferee Company to which they are entitled under the said compromise or arrangement; and

(5) That the Transferor Companies do within 60 days after the date of the order cause a certified copy of the order to be delivered to the Registrar of Companies for registration and on such certified copy being so delivered the Transferor Companies shall be dissolved and the Registrar of Companies shall place all documents relating to the Transferor Companies and registered with him on the file kept by him in relation to the Transferee Company and the files relating to the three companies shall be consolidated accordingly; and

(6) That any person interested shall be at liberty to apply to the Court in the above matter for any direction that may be necessary.

In view of the above, this petition stands disposed of.

(K.M. Mehta, J.)

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